

RESTRICTED

## REPORT

CD NO.

STAT

DATE OF INFORMATION 1949

DATE DIST. 12 May 1949

NO. OF PAGES 2

SUPPLEMENT TO  
REPORT NO.

THIS DOCUMENT CONTAINS INFORMATION AFFECTING THE NATIONAL DEFENSE OF THE UNITED STATES WITHIN THE MEANING OF ESPIONAGE ACT 50 U. S. C. 31 AND 32, AS AMENDED. ITS TRANSMISSION OR THE REVELATION OF ITS CONTENTS IN ANY MANNER TO AN UNAUTHORIZED PERSON IS PROHIBITED BY LAW. REPRODUCTION OF THIS FORM IS PROHIBITED.

THIS IS UNEVALUATED INFORMATION

SOURCE Sinkiang Jih-pao.

## GOLD AND SILVER MINING REGULATIONS PROPOSED

A plan has been formulated to encourage the people of Sinkiang to develop gold and silver mining, which would help achieve economic expansion and currency stabilization. Highlights of the provisional measures, submitted by Liu Te-en, deputy chief of the Reconstruction Department, to the Finance and Economic Subcommittee for consideration, are as follows:

### A. Gold Mining

with the exception of the rich gold mining region of Ch'eng-hua, the following regulations shall apply to mines in Ts'ao-erh-k'a-k'io, A-t'i-ch'ang, and Ch'i-erh-kan under the control of Min-feng Hsien; Chia-p'a and A-erh-chia-shan under the control of Ch'ieh-mo Hsien; Tse-li-k'io under the control of Yu-t'ien Hsien; and Wu-lu-k'io, A-erh-c, etc., under the control of Mo-yu Hsien.

1. Use propaganda to stimulate productive effort among the workers.
2. The supply of staple goods and cloth to the miners shall be handled by merchants.
3. All extracted ore shall be sold to the government. Private dealings in gold are forbidden and violators shall be punished. (Regulations concerning punishment shall be set up separately.)
4. Financial planning shall be left up to the people themselves. If a loan is required, they should seek a satisfactory and reliable transaction.
5. The price of gold shall be settled in accordance with current conditions by the Ho-t'ien Gold-Mining Bureau and a group of miners.
6. Functions mentioned in the preceding paragraphs shall be placed under the supervision of the Ho-t'ien Gold-Mining Bureau. (Regulations concerning this bureau will be determined separately.)

With the exception of gold-mining regions designated above, private operation of other gold mining areas is permitted. If the quantity of production is great, then these regulations shall be applied. Material to be used by private operators shall not be granted before extraction is actually begun. Ore extracted must also be sold to the government at market price.

**CONFIDENTIAL**

|       |      | DISTRIBUTION |  |  |  |  |  |
|-------|------|--------------|--|--|--|--|--|
| STATE | Navy |              |  |  |  |  |  |
| ARMY  | Air  |              |  |  |  |  |  |

**RESTRICTED**



STAT

B. Silver Mining

The Provincial Government shall undertake the mining of silver in Ch'ieh-mo Hsien. A temporary Silver-Mining Bureau will be established by the Reconstruction and Finance Departments. Technical personnel for this bureau will be recruited from Ti-hua. Miners will be hired from among the local citizenry and will be given good treatment.

A similar mining bureau will be set up at other mines, such as the K'u-mi-shih Silver Mine, which is under the joint jurisdiction of Shan-shan, Wei-li, and T'o-k'o-hsun hsien, if their production proves flourishing.

- E N D -

- 2 -

**RESTRICTED**